



LMP

Logistics Modernization Program

TACOM Monthly Newsletter

Volume 23

February 16,
2004

Inside this issue:

Stabilization article	2
Stabilization article cont'd	3
Krispy Kreme article	3
ERP, SAP, LMP article	3
Rohm and Haas article	4
OBOD update cont'd	5
Data Readiness article cont'd	5
LMP Terms	6
Website	6
POC/Editors	6
February Puzzle	7

OBOD UPDATE

27 Jan 04

By Carol Genereux

On 27 Jan 04, the Operational Board of Directors (OBOD) meeting was held via VTC. Mr. Mills and Ms. Baker provided the opening comments for this session. Updates were provided for stabilization in each of the following areas: Sales & Distribution; Supply Chain Planning; Depot Operations; Maintenance Management; Product Lifecycle Management; Acquisition; and Finance.

The Stabilization Tiger Team is to complete an end-to-end review of selected (Acquisition & Finance) business processes and identify critical/chronic problems. The team will also review existing stabilization scorecard efforts and documentation as a baseline for initial planning and assessment. Furthermore, it will develop joint integration processes

Calendar of Events

L M P M onthly Team M tg -
19 Feb, 12 -2 (central)

G overnment Only M tg -
25 Feb, 8:00 (Eastern)
M oorestown

4 Levels of Data Readiness

Excerpt from BackOffice Associates Dec 2003

Implementing an ERP solution can seem like an insurmountable task and leave even the most structured company with a feeling of trepidation. An SAP implementation quickly absorbs large amounts of company resources and becomes the focal point of corporate strategy in the short term.

There are four levels of data readiness with associated levels of risk and readiness, which emphasize the importance and consequences of data migration. These four levels are balanced between costs associated with the entire SAP implementation and the associated risk of a negative impact on the business.

A light touch-up on the data, maintaining only its current state when migrating, may seem to offer a project cost savings but result in a high impact on the business as error bubble to the surface at "Go-Live" or after.

The first level of data readiness, which is often referred to as "good enough to Go-Live", is the point where a company accepts an error rate simply to get the system up and running rather than risk further delays.

Realizing that the bar can be raised because there is no reason to settle with an "acceptable" error rate and that data must be error free is the first step in moving towards the second level of data readiness. At this level, all data that is loaded into SAP is accurate.

To most people it may seem that error free is the highest level of data readiness. At this level you are only assured that the data that has been loaded is error free. Not that all business

(Continued on page 5)

Quote of the Month....

*Life's most persistent and urgent question is:
What are you doing for others?
-Martin Luther King, Jr.-*

Stabilization: The LMP Word of the Day

Michelle L. Sullivan
Communications, TACOM-Natick

According to the Merriam-Webster Dictionary,



Stabilization means,

“**1** : to make stable , steadfast, or firm **2** : to hold steady: as **a** : to maintain the stability of (as an airplane) by means of a stabilizer **b** : to limit fluctuations of (as prices) **c** : to establish a minimum price for *intransitive senses* : to become stable , firm, or steadfast.”

For anyone currently using LMP, stabilization means being able to work productively within the new environment.

Why Stabilization?

On 13 January 04, G3 was directed to begin focusing on stabilization activities based on factors surrounding the first deployment of LMP. Some of these factors include:

- Unresolved PTR's
- Insufficient business documentation
- Inadequate training
- Unforeseen system complications
- Lack of resources to support first deployment sites

The push towards stabilization is now the priority.



Who?

“Tiger Teams” have been created to address specific issues in designated areas (as shown below). These teams are comprised of SME's from each of the major commands, TACOM, CECOM, and AMCOM as well as AMC, DFAS, PD LMP, LAISO and Tobyhanna Army Depot. They will also include a CSC functional POC and a CSC Technical POC.

What is being looked at?

Processes have been identified within these areas:



- Acquisition
- Finance
- Supply Chain Planning
- Product lifecycle management
- Sales and Distribution & warehouse management/ inventory management
- Depot Operations
- MSC Maintenance Management

An example of what these teams will be working on comes from the Sales and Distribution area. A key distribution process identified in this area is Major End Item Processing. It has been assigned a priority and SME's/POC's to work directly on that process and it's current issues.

How will this be done?

Each Team will be following a series of steps to identify issues and resolve them (all an iterative process). The steps are:

1. Review existing Business Documentation
2. Assess chronic problem areas - PTR's
3. Assessment of WHY? - Technical /Business Issue
4. Individual Area Recommendation
 - Process Change
 - PTR's
5. Cross Assessment (Integrated) - Joint Sessions

Results?

The expected results from these teams are:

- Complete end-to-end review of all Business Area processes to identify critical/chronic problems
- Review Existing Stabilization Scorecard efforts and documentation as a baseline for initial planning and assessment
- Develop Joint Integration Process for touch point validation

(Continued on page 3)

(Continued from page 2)

- Finalize Get-well plans

Timeline

As directed by GEN Kern, the “Tiger Teams” have been formed and are working the specifics of an action plan to resolve the issues associated with first deployment. The assessment is to be completed by the end of January with the ability to execute given recommendations in Feb 04.

SAP Sweetens deal for doughnut brand

Excerpt from vnunet.com, 11/11/03

US doughnut brand Krispy Kreme has arrived in the UK and is using SAP's Business One software to track inventory and sales and to support marketing.

Krispy Kreme has taken on SAP's business management software aimed at small to medium sized businesses in the hope that it can replicate its phenomenal growth in the US, Canada and Australia over here.

Even though its wares have been dubbed “a heart attack with a hole in the middle”, Krispy Kreme's success has more to do with skillful marketing than its calorific temptation.

The company introduced the concept of “doughnut theaters” for baking its wares under the eyes and noses of potential passing customers.

Krispy Kreme will use the SAP software to manage and track its production capacity, sales data, fundraising activities (as part of its corporate strategy) and—once it is established- wholesale business to supermarkets.

ERP, SAP and LMP

There have been many questions regarding the difference between ERP, SAP, and LMP. This article should help clear up any confusion.

The Logistics Modernization Program (LMP) is a major paradigm shift for our logistical community that creates a partnership between the Army Materiel Command (AMC) and Computer Sciences Corporation (CSC) that ultimately will entail the replacement of two large wholesale legacy systems: the Commodity Command Standard System (CCSS) and the Standard Depot System (SDS). This partnership requires Team CSC to provide AMC with best business practices and updated information technology (IT) as a “service” rather than a software/hardware product, thus ensuring that AMC can focus on its core missions/functions for the 21st Century.

The method selected for providing this service is Enterprise Resource Planning (ERP, pronounced E-R-P). ERP software is designed to integrate the work processes that deliver products to satisfy customer orders and maximize efficiency, from production to customer sales.

What does this mean for AMC? By implementing an ERP solution, AMC will link our sales forecasting, order entry, manufacturing, distribution, materiel management, inventory, and financial information management functions. It is also one of the primary steps in achieving a totally integrated, seamless logistical system across the Army, which is a requirement in the Revolution in Military Logistics (RML).

How does ERP do all of that for AMC? Team CSC is implementing SAP software designed to execute all AMC logistical business processes.

SAP is a German software company that makes business applications for middle and large sized companies. Team CSC has purchased SAP business application modules to run its ERP system.

Rohm and Haas Company Implements SAP

Excerpt from Fact Sheet 15 Jan 04

When Rohm and Haas isn't manipulating molecules, it's altering operations. The company has reorganized itself into four groups. Its performance polymers are used in acrylic paints (mostly for paints bought by do-it-yourselfers), adhesive tapes, and plastics additives. Its specialty chemicals unit produces biocides, detergents, and agricultural chemicals. The electronic materials division makes liquid photoresists and developers and, through Shipley Ronal, materials for making printed wiring boards. Rohm and Haas' salt group markets salt for road ice control, table salt (Morton Salt), food processing, and water softening.

Why is Rohm and Haas Company Implementing SAP R/3?

Rohm and Haas Company is introducing SAP R/3 for the following reasons:

1. **To support Rohm and Haas Company's strategic objective of operating excellence**—Operating Excellence will improve our ability to better meet customer needs, both in the execution of our business process to serve customers and the way we use and manage information about our business with customers.
2. **To enable Rohm and Haas people to focus on adding value to our customer**—A key outcome from SAP R/3 implementation will be more robust processes which will empower Rohm and Haas employees. By reducing administrative tasks, Rohm and Haas employees will have more time to add more value to the customer rather than "putting out fires", tracking down information, and delaying decisions.
3. **To update and integrate our IT systems**—While the current business process and systems have served them well for many years, they are not robust enough nor capable of providing the global standardization of information and integration needed to go forward. In addition, many of the current systems are reaching the end of their useful lives and they are faced with the need to replace them.

To facilitate easier integration of new businesses and acquisitions—As Rohm and Haas Company

continues to grow by developing and acquiring new businesses, SAP/R3 will allow them to easily integrate these new businesses into their existing businesses.

What Will Change as a Result of Rohm and Haas Company Implementing SAP R/3?

When Rohm and Haas Company implements SAP R/3 the customer will see changes in the appearance of documents as they implement SAP R/3. Most changes are in the format and the new documents will contain at least as much information, and in many cases more information than the current documents.

When is Rohm and Haas Company Implementing SAP R/3?

Over the past 3 years, Rohm and Haas company has implemented the most current release of SAP R/3 (version 4.6c) and other systems in a phased roll-out approach across all the company's businesses.

Rohm and Haas rolled out the new ERP common processes and systems in most of its Plastics Additives business in November 2001. Electronic Materials plants in North America and Electronic Materials sales offices around the world deployed ERP in July 2002. All Electronic Materials in Europe deployed ERP in May 2003, with Asia following in February 2004.

The European Chemicals Businesses made the transition in two phases in 2002. The North American and Latin American Regions made their transitions in September 2003 and February 2004. One more roll-out is planned for other Rohm and Haas businesses in May 2004, which will complete the company wide e-transformation.



(Continued from page 1)

get-well plans. TACOMs priority is to get representatives on all the stabilization teams. All the briefings addressed the five step process of stabilization efforts.

Step 1:

- Existing documentation which includes tasks such as -
 - Identifying source documentation
 - Existing process flows
 - Identifying gaps to existing documentation
 - Updating process flows
 - Existing process flows
 - Identifying gaps to existing documentation
 - Updating process flows
 - Define end-to-end flows
 - Identifying integration touch points

Step 2:

- Identify chronic problems
- Develop/confirm chronic problem lists and align open tickets to a problem list

Step 3:

- Assessment (root cause analysis) on the problem areas

Step 4:

- Team recommendations
- Corrective action plans
- Validating and updating stabilization scorecard
- Identifying resources for each stabilization team

Step 5:

- Address a joint review where the teams set up workshops, etc. with other stabilization teams to discuss resolution of problems affecting multiple areas.

After each team went through the five step process, the briefer then addressed status of work products in each of the following areas: prioritization of critical/chronic problems; validation checklist; critical process flows and supporting documentation review; list of touch points; schedule; and exit criteria.

Due to bad weather conditions on the east coast, there was not an opportunity to do the stabilization summary by Team CSC/PD LMP, or the data cleansing and organizational change activities that were identified on the initial agenda.

(Continued from page 1)

critical data has been loaded. So to make sure that no data is omitted it is necessary to climb one more step to become business ready. This means that the data as business objects is tracked through normal business procedures assuring that all necessary data is available and loaded error-free and will have zero negative impact on the daily business of the firm when executed on go-live.

Throughout all levels of data readiness, data should be validated and traceable. This final step of validation is a legal or moral necessity.

The common practice of data migration is based on a methodology in which the new SAP database system is considered the center of attention for all the current database systems. Using a method that operates on tactical and individual level, each database is loaded as an isolated task without respect to the activities simultaneously carried out in the other systems. This may seem like a logical approach that would ensure focus and hence more accuracy, but this subdivision results in a lack of overview and understanding of the accumulated pool of data as well as a de-emphasis and perhaps even misunderstanding of the end purpose for the new database system.

This tactical methodology is based on attacking individual parts of the problem in isolated groups, hoping that the accumulated effort will solve the task. What is not considered under this approach is the complexity of the system and the necessary interaction between the data in the pool of databases, which may overlap and coordinate on a daily basis. Each individual database may therefore be properly sorted for loading, although this does not ensure that the SAP system will be duplicate-free or totally accurate when all the systems are joined creating confusion by leaving the potential for transactions carried out redundantly with a negative effect on the daily business.

The only way to achieve a timely and successful data migration and SAP implementation is to approach the task with a strategically global approach. Isolating the current databases defies the logic behind joining the databases in the first place. There must be room left for the data complexity to be transferred, not only error free but business ready.

Regardless of the size of the firm or the number of times they have or will implement SAP, data migration is a segment of the process that can make or break the project with challenges that are difficult to predict by those who aren't specialists in this unique craft that blends and understanding of business process with programming expertise.

Contact Paul Palos, x6530 with any data migration questions

LMP Terms

TACOM Communication POC/Site Editors *

ANAD—Judy Ivey

DSN 571-6124

RRAD—Lila Murray

DSN 334-4473

Rock Island—Rhonda Sullivan

DSN 793-3863

Warren—Dick Hill

DSN 786-2677

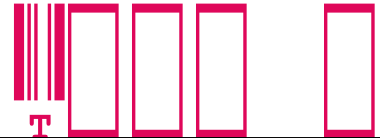
GSIE—Rhonda Fuller

DSN 793-6454

Natick—Michelle Sullivan

DSN 256-5861

*Contact your local site rep in regards to newsletter info. Please let us know if there



Take a look at the TACOM LMP website [_](#). You can find out whom the TACOM focal points are, check out the weekly reports for the latest information, and see if you have a question that is answered on the Frequently Asked Question Page. You can even send your comments or suggestions by clicking on the “Mail Comments To” button. Check it out!



February Puzzle

B L Z K O I F I N A N C E S C G N P M L J N B V P
M H O F N Q N O S O F Z A D Z A D D W G Y O Q M A
P A C R Q U Z V O X E O C S L V A E N F C I F E R
R O R B T S O Z E Q E U F P T T C I E O P T Z T T
E R H T U N X R I N Y P E Z A C N F N Z Z U B S I
S L U D I F O B Z Z T C Y M V N H T L F P B R Y A
Y G O L O N H C E T N O I T A M R O F N I I P S L
D N B I Q H L V N A H G R L R O O E C R B R L T C
E O A B A K R U N O R N P Y L E M D O T O T A O O
L I T T U N H E T A I N O L M E D H I C F S I P N
I T C Q L D T L T H I T I I R A M R E E G I R E F
V I H F P N G I W A E N A K T A N C O N A D E D I
E S B M I T O E H U G R Y R N A N A I Z N D T D R
R I L A M N C C T A J P K D U E Z T G D M N A R M
Y U M U G C Y J R K S E H I I G U I T E G A M A A
D Q E H S L T E M I R A E C N O I W L C M S I D T
O C A S P K A O R B A V S D R G D F H I O E Y N I
C A T P O N W K W S X R D O B O J V N J B L N A O
U Q U S S E N I D A E R A T A D B R F O V A L T N
M S E I I S N O I T A R E P O T O P E D C S T S P
E T W A R E H O U S E M A N A G E M E N T M A S U
N T G Q Z U N P B I L L I N G D U E L I S T A P Q
T R M L T G M E L C Y C E F I L T C U D O R P S U
E X K I C O F I N A N C I A L A C C O U N T I N G
B K M S C M A I N T M G T S M A E T R E G I T D J

ACQUISITION

AMC

BATCH

BILLING DUE LIST

BUDGET

CCSS

COMPUTER SCIENCE CORP

CONFIGURATION CONTROL

CONTROLLING AREA

DATA MIGRATION

DATA READINESS

DELIVERY DOCUMENT

DEPOT OPERATIONS

ERP

FINANCE

FINANCIAL ACCOUNTING

INFORMATION TECHNOLOGY

INVENTORY MANAGEMENT

KRISPY KREME

LMP

MAINTENANCE PLAN

MARTIN LUTHER KING JR

MATERIAL

MSC MAINT MGT

OBOD

ORDER TYPE

PARTIAL CONFIRMATION

PRODUCT LIFECYCLE MGT

RML

ROHM AND HAAS

ROUTINGS

SALES AND DISTRIBUTION

SAP

SDS

STABILIZATION

STANDARD DEPOT SYSTEM

SUPPLY CHAIN PLANNING

TIGER TEAMS

WAREHOUSE MANAGEMENT